is denied the location advantage and the State is deprived of the advantage of attracting investments in world class green field wheat processing plants;

(b) whether the Government of Punjab has requested for extension of the location advantage in respect of wheat processing industry; and

(c) if so, Government's response thereto and the decision taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) The Government of Punjab has raised the issue about increasing the differential in the prices of wheat in the consuming State as compared to the prices applicable to the State of Punjab under the Open Market Sale Scheme (Domestic) OMSS (D) for Wheat. In the present price structure being followed for disposal of wheat to the bulk consumers like the Roller Flour Mills, under the OMSS (D) there is a differential in the State-wise prices as indicated below:—

State	Price of Wheat (Crop year 2004-05) (Rs. per Quintal)
Punjab	800/-
Tamil Nadu	870/-
Maharashtra	840/-
West Bengal	845/-

The State-wise prices have been fixed after taking into account the acquisition cost and freight charges from the procuring States of Punjab and Haryana to the other consuming States. The above differential in the prices shows that a system of differential rates is already in place and is fixed State-wise on the distance from the procuring regions of Punjab and Haryana.

Checking wastage of agricultural produce

2109. DR. VIJAY MALLYA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government are aware that farm produce worth Rs. 50,000 Crores is going waste every year;

(b) the measures taken by Government to reduce the loss; and

(c) whether the Central Government's proposal to amend the APMC Act would help in reducing the wastage in agri-supply chain?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) As per the report of M/s Rabo India Finance Private Limited, wastage of the agricultural foodstuffs is estimated to be about Rs. 58000 crore occurring at various stages of handling after harvesting like inadequate post—harvest infrastructure, lack of cold chain facilities, transportation, proper storage facilities etc.

Government has formulated and implemented several Plan Schemes to provide financial assistance for establishment and modernization of food processing units, creation of infrastructure, support for R&D, human resource development besides other promotional measures to encourage development of food processing industries. Recently, in order to give boost to growth of FPI sector the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16% on dairy machinery has been fully waived for promotion of dairy processing industries. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil industry has been reduced from 32% to 16%. A National Horticulture Mission has been launched w.e.f. 1st April, 2005 with an objective to boost the horticulture sector. In the Budget of 2005-06 excise duty of Rs. 1.00 per kg on refined edible oil and Rs. 1.25 per kg on vanaspati was abolished. Customs duty on refrigerated vans was reduced from 20% to 10%.

(c) The APMC Act falls under purview of State Governments, However suggestion to amend the APMC Act for promotion of contract farming is likely to go a long way towards improvement in the agrisupply chain.